

**Write the following information in the first page of Answer Script before starting answer**

ODD SEMESTER EXAMINATION: 2020-21

Exam ID Number \_\_\_\_\_

Course \_\_\_\_\_ Semester \_\_\_\_\_

Paper Code \_\_\_\_\_ Paper Title \_\_\_\_\_

Type of Exam: \_\_\_\_\_ (Regular/Back/Improvement)

**Important Instruction for students:**

1. Student should write objective and descriptive answer on plain white paper.
2. Give page number in each page starting from 1<sup>st</sup> page.
3. After completion of examination, Scan all pages, convert into a single PDF, rename the file with Class Roll No. **(2019MBA15)** and upload to the Google classroom as attachment.
4. Exam timing from 10am - 1pm (for morning shift).
5. Question Paper will be uploaded before 10 mins from the schedule time.
6. Additional 20 mins time will be given for scanning and uploading the single PDF file.
7. Student will be marked as ABSENT if failed to upload the PDF answer script due to any reason

**BACHELOR OF BUSINESS ADMINISTRATION**  
**THIRD SEMESTER**  
**COST & MANAGEMENT ACCOUNTING**  
**BBA-302**

**Duration : 3 hrs.**

**Full Marks: 70**

**Time : 20 min.**

**( PART-A: Objective )**

**Marks : 20**

*Choose the correct answer from the following:*

**1X20=20**

1. Which cost is incurred even if the company is closed?
  - a. Sunk Cost
  - b. Historical Cost
  - c. Shutdown Cost
  - d. Imputed Cost
2. Toy manufacturing company use which type of costing
  - a. Multiple Costing
  - b. Process Costing
  - c. Unit Costing
  - d. Batch Costing
3. Which of the following is not considered for preparation of Cost sheet?
  - a. Factory Cost
  - b. Goodwill written off
  - c. Labour Cost
  - d. Selling Cost
4. Operating costing is suitable for
  - a. Distribution overhead
  - b. Factory overhead
  - c. Administration overhead
  - d. Selling overhead
5. The level of activity at which there is neither profit nor loss is known as
  - a. Profit-volume
  - b. Margin of safety
  - c. Break-even point
  - d. Cost-volume-profit
6. The factor that puts a limit on production and profit of a business is a
  - a. Production factor
  - b. Sales factor
  - c. Cost factor
  - d. Key factor
7. Determine Margin of Safety if profit is Rs.15000 and P.V ratio is 40%
  - a. Rs.33000
  - b. Rs.38000
  - c. Rs.35000
  - d. Rs.37500
8. Given BEP Sales is 40000, Profit earned is Rs.20000 and fixed cost is Rs.8000. Determine actual sales
  - a. Rs.50000
  - b. Rs.20000
  - c. Rs.32000
  - d. None of the above
9. The budget starts without any base is
  - a. Master budget
  - b. Flexible budget

- c. Zero base budgeting
- d. Fixed budget
10. Cash budget is a schedule to record.....over a period with a view to locating the timing and magnitude of cash surplus and shortage.
- a. Cash inflow
- b. Cash outflows
- c. Both a and b
- d. None of these
11. The difference between actual and standard cost is known as
- a. Variance
- b. Depreciation
- c. Bad debt
- d. Credit
12. The variance analysis is used in.....
- a. Marginal costing
- b. Budgetary control
- c. Standard costing
- d. Ratio analysis
13. The cost connected with the loss of an opportunity is called.....
- a. Opportunity cost
- b. Sunk cost
- c. Imputed cost
- d. Shutdown cost
14. What is the basis of apportionment of Rent?
- a. Area Occupied
- b. Number of employees
- c. Machine Hours
- d. Horse power
15. If Overhead for a month is Rs. 60,000 and the direct material cost for a month is Rs. 2,00,000 then the overhead rate is:
- a. 30%
- b. 50%
- c. 90%
- d. 10%
16. Overhead cost is the total of
- a. All indirect costs
- b. All direct costs
- c. Indirect and direct costs
- d. Specific costs
17. Selling for Office Staff comes under
- a. Production Overhead
- b. Administrative Overhead
- c. Selling and Distribution Overhead
- d. None of the Above
18. Budget is prepared for a
- a. Indefinite period
- b. Definite period
- c. Period of one year
- d. Six months
19. Which of the following is an advantage of Standard Costing?
- a. Helping in formulating policies and planning
- b. Unsuitable for service industries
- c. Costly Affair
- d. Difficult to establish standards in practice

20. What is the basis of apportionment of Delivery vans?

a. Sales, Total Cost

b. Weight, Volume, Kms

c. Light points

d. Area Occupied

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**( PART-B : Descriptive )**

Time: 2 HRS 40 MINS

Marks : 50

**[ Answer question no.1 & any four (4) from the rest ]**

1. The following figures of sales and profits for two periods are available in respect of a concern 10

Particulars	Sales (Rs)	Profit (Rs)
Period I	40,00,000	4,00,000
Period II	60,00,000	8,00,000

You are required to find-out:

- a. P/V Ratio.
  - b. Break-even point Sales.
  - c. The Sales required to earn a profit of Rs.10,00,000.
  - d. Margin of Safety.
  - e. Profit when sales are Rs. 50,00,000.
2. a. Define Budgetary Control. 2+8=10
- b. From the following information of ABC Ltd., Prepre a Cash budget for the three months Commencing from 1<sup>st</sup> june, 2006, when the bank balance was Rs.10,000

Month	Sales Rs.	Purchases Rs.	Wages Rs.	Selling Expenses Rs.
April	1,00,000	70,000	8,500	7,500
May	1,20,000	80,000	9,500	8,000
June	1,40,000	90,000	9,500	9,500
July	1,60,000	1,00,000	12,000	10,000
August	1,80,000	1,10,000	14,000	10,500

Additional Information:

1. A commission of 5% on sales due 2 month after sales is payable.
2. Credit terms of Sales are- One half of the sales is paid on the month following the sales and remaining half on the second month following.
3. Creditors are paid following the month of Supply.
4. Plant Purchased in June for Rs. 78000; payable on delivery Rs.48000 and balance in two equal monthly instalments in july and August.

5. A dividend of Rs. 30000 will be paid in september.
6. Wages are paid  $\frac{3}{4}$ <sup>th</sup> on due date while  $\frac{1}{4}$ <sup>th</sup> during the next month.
7. Lag in payment of selling expenses is one month.

3. a. Prepare Cost Sheet for the month of October 2018: 4+6=10
- |                 |          |
|-----------------|----------|
| Direct Material | Rs.37000 |
| Direct Wages    | Rs.30000 |
| Direct Expenses | Rs.13000 |

Factory Overhead absorbed is 60% of Direct Wages, Administrative Overhead absorbed is 30% of Factory Cost. Selling & Distribution Overhead absorbed is 20% of Cost of Production. Profit earned is 20% of Cost of sales.

b. Define:

- |                          |                    |
|--------------------------|--------------------|
| a. Management Accounting | b. Cost Accounting |
| c. Marginal Costing      | d. Shut down cost  |
| e. Job Costing           | f. Batch Costing   |

4. a. What is the role of Cost Accounting in Price Determination? 5+5=10

b. Write a Note on Key factor decision.

5. a. Akash Chemicals Industries provide the following information from their records. 7+3=10

For making 10kgs of product, the standard material requirement is:

Material	Qty (Kg)	Rate per kg
X	8	Rs. 6
Y	4	Rs. 4

During December 2002, 100 kgs of product were produced. The actual consumption of material is as under:

Material	Qty (Kg)	Rate per kg
X	75	Rs. 7
Y	50	Rs. 5

Calculate:

- i. Material Cost Variance
- ii. Material Price Variance
- iii. Material Usages Variance

b. Write note on Zero based budgeting.

6. a. What are the essentials of a budget? 6+4

b. Write few Advantages of Budgetary control.

7. a. What are the various Methods of Costing? 5+5  
b. Why do companies use Standard Costing?
8. What are the various classification of Costs? 10

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